



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

January 31, 2012

Honorable Joseph B. Scarnati
Senate of Pennsylvania
292 Main Capitol Building
Harrisburg, PA 17120

Honorable Dominic Pileggi
Senate of Pennsylvania
350 Main Capitol Building
Harrisburg, PA 17120

Honorable Jay Costa
Senate of Pennsylvania
535 Main Capitol Building
Harrisburg, PA 17120

Dear Senators Scarnati, Pileggi and Costa:

I am writing to express my appreciation for the hard work of you and your colleagues as we come closer to enacting a comprehensive Marcellus Shale legislative package.

We are blessed to have beneath our feet abundant natural resources that will heat our homes, power our factories, employ tens of thousands of our citizens and increase our energy security. Likewise, we take seriously our obligation as stewards of the environment, working to ensure that we respect our natural resources as we develop natural gas in the Commonwealth.

To achieve these goals, it is paramount that the final legislation under your consideration contains uniform standards that balance the high regard we hold for local governance in Pennsylvania with the predictability and consistency that any business needs to grow and thrive, as well as the priority we place on the private property rights of our citizens. As you know well, Pennsylvania is currently engaged in efforts to attract significant outside capital investment to develop these resources – investment which means thousands of well-paying jobs and plentiful and affordable feedstock for our plastics and chemical manufacturers. We cannot afford to lose these opportunities.

We must also take stock of the current state of municipal ordinances in Pennsylvania and elsewhere. To our immediate north, west and southwest, our neighboring states have all adopted strong – and in some cases total – pre-emption of local ordinances governing oil and gas development. West Virginia adopted its legislation in December 2011. Here in Pennsylvania, there are approximately 145 oil and gas ordinances adopted or pending adoption in 115 municipalities spread across 17 counties. The most restrictive of these ordinances completely bans natural gas drilling or an activity critically related to the development process, depriving citizens of jobs, income and the enjoyment of their own property rights. Another subset of ordinances contain *de facto* bans on natural gas drilling by creating excessive setbacks that are five times as large as those proposed in Senate Bill 1100 and House Bill 1950, noise limits so

restrictive that they are routinely exceeded by naturally occurring sounds, and minimum lot sizes (ten acres in one municipality, forty acres in another) that are inconsistent and excessive. Without question, we must ensure that Pennsylvania regains its competitive edge if we are to grow and succeed in the future.

The legislation under consideration does not embrace total pre-emption. It seeks to balance the state's prerogative to establish and enforce environmental standards with the proper function of local zoning, ensuring that one industry is not given special – or unfair – treatment. The legislation provides guidance and establishes parameters to provide a reasonable degree of certainty and uniformity from municipality to municipality. It recognizes and preserves the traditional role of local zoning, and provides for a fair and impartial review of ordinances to make sure that they are consistent with the laws you have enacted.

These uniformity provisions are limited in number, and afford local governments considerable discretion to impose conditions, requirements, and limitations on oil and gas operations that are no more stringent than the ones that they apply to other industries. Moreover, they preserve a municipality's existing right to regulate traffic and roadways, and reserve an extra measure of discretion for municipalities in residential areas.

As a former township commissioner, I am sensitive to the needs of local municipalities. As Governor, I have signed over 30 bills into law for the benefit of local governments. I have also been supportive of a reasonable impact fee on unconventional well drilling operations. A significant portion of these funds will go to the direct benefit of our counties, boroughs and townships. This legislation preserves and respects the important responsibilities of local governments, significantly enhances the environmental standards related to oil and gas development, and builds upon the tremendous job opportunities our Commonwealth needs at this critical time in our history.

I urge you to complete this work as soon as possible, and deliver a responsible, balanced bill to my desk of which we can all be proud.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Corbett", with a stylized flourish at the end.

TOM CORBETT
Governor

cc: Members of the General Assembly